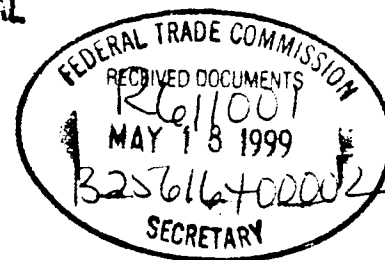


ORIGINAL

ConsumerCasket[®]
USA

May 13, 1999

Mr. Donald S. Clark, Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue NW
Washington, DC 20580

Re: The Funeral Rule - 16 CFR Part 453

Dear Mr. Clark:

I read with great interest an article advising that the Federal Trade Commission is considering opening for review its 1984 established Funeral Rule governing funeral home operations within the United States. As the founder and current President and Chief Executive Officer for ConsumerCasket USA, one of nations' leading direct merchants of funeral and memorial products, I wish to urge your regulatory commission to do so for the good and protection of the consumer. I will also make a few comments in full endorsement of the coverage clause being extended to include *all sellers of funeral merchandise* whether funeral based, retail or other forum.

By way of background, I wish to inform you that already in existence are some very large cooperative buying groups through some very reputable organizations. Some of these have hundred and thousands of members like the formidable group that exists through the Order of the Golden Rule (OGR), a very respected industry organization formed to uphold strong ethical standards among their funeral professional membership. Through these large cooperatives, funeral home members of any size gain *substantial* buying power and discounts through large quantity purchasing rights cooperatively.

Many other such groups exist including through the National Funeral Directors Association (NFDA) by which thousands of members are able to access deep discounts through their national cooperative to achieve greater reductions in costs for supplies and merchandise. I am unaware of any of these entities attempting to employ increased customer satisfaction by way of truly decreasing any of their funeral fees charged.

Many of these funeral homes now employ proverbial 'shell games' with their pricing techniques that include the *reduction* of casket prices while simultaneously *increasing* their basic service fee (which is the ONLY consumer **non-declinable** fee under your present Federal Trade Commission's Funeral Rule.) The end result is an actual net gain to their bottom line funeral price in favor of the funeral home not the consumer. Still others use *package pricing*, whereby all of the items and services of a standard traditional funeral are encompassed in a single price dependent upon the casket selected. The problems with this technique are two fold; first, the funeral home alone defines 'standard items and services' and secondly, this is a very dangerous way for a consumer to purchase their intended funeral package. In as much as a consumer would not be inclined to purchase an entire living room set from a furniture store and include all of the display items, should they also not make a package selection and perhaps, more often than not, pay for items they will never be inclined to use or even want. Lack of true consumer education is the funeral homes keystone in this approach.

Yes, multinational domination of traditional funeral service is also on the rise. Additionally, once an entity is purchased by one of these multinational groups, a 25% average price increase is almost always the result. The bottom line: even though these entities can gain substantial purchase discounts, reportedly in excess of 40% at times due to their high volumes, *none* are passed on to the ultimate consumer. Their true effort is to improve their financial standing and NASDAQ rating.

ConsumerCasket USA is presently one of only two nationally recognized *non-partison direct merchants* of quality funeral and memorial products to the public at large. Through our company and others like us, consumers can receive fair pricing information as well as free brochures from the Federal Trade Commission on how to select funeral products and services. Moreover, in each of our four years of continuous operation, we have actually lowered our already affordable prices due to the increased number of satisfied customers making their selections through our store and have voluntarily complied with The Funeral Rule in every area that would apply to our operation. We simply believe it makes good sense.

We welcome competition to this direct retail arena and we encourage it. We also believe that some form of regulation today will prevent any potential long-term impairment to any consumer. In this way, the consumer will be guaranteed truthful information and affordable pricing on traditional funeral and memorial items through healthy competitive competition no matter the forum they choose. This will also prevent fictitious 'voodoo' "we are covered by a law and they are not" misinformation and less than honest 'shell game' tactics that in the end, serve only the funeral provider and harm the consumer financially.

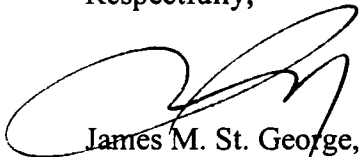
In summation, to strengthen you Funeral Rule the following changes must be made in the greater interest of the common good of all consumers:

- ❑ **Prohibit the non-declinable fee** that is imposed by traditional funeral homes; for many, it is a simple means of hiding additional profit at the expense of all consumers. Allow the consumer the choice in all areas of selection.
- ❑ **Reiterate the prohibition of any casket or product handling fees** as penalties to consumers who exercise their right to choose where they make their purchases.
- ❑ **Prohibit any entity covered by the Funeral Rule from giving a reversible discount** to take business from local competitors only to later remove the false allowance if the consumer opts to buy elsewhere; in essence, this becomes a penalty to the consumer.
- ❑ **Broaden the coverage to include all non-traditional sellers** of funeral merchandise including retail, cemetery-based and other forums.

We believe strongly that this rule is good for the consumer. However, to effectively cover this greater good of all consumers, *it must be strengthened and broadened in scope to cover any and all entities that expose themselves to the general public as sellers of these wares.*

Lastly, state regulations should be urged to modify their regulatory and funeral governing boards to ensure that they manage only state licensed funeral homes that sell services such as embalming and other emotionally impacting services to the public. General merchandise providers should in no manner be governed by these entities as they are more often than not comprised of traditional funeral home owners that inherently maintain a self-serving and preservationist bias.

Respectfully,



James M. St. George,
President and Chief Executive Officer
ConsumerCasket USA, Inc. and related companies

JMS/hb

fc: Mr. Gabe Hernandez
c: Senator Ernest Hollings (D-SC)
Senator Jane Earl (R-PA)